

# CWSRF PISCES AWARDS

## Performance and Innovation in the SRF Creating Environmental Success

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### 2007 Award Winners





Dear Colleagues:

I want to congratulate each of the winners of the 3rd annual Performance and Innovation in the SRF Creating Environmental Success (PISCES) Awards. The awards acknowledge and promote program innovations that advance EPA goals of performance and water quality protection.

This year we are recognizing states that have been the most innovative and effective in advancing EPA's goals of performance and protection through the Clean Water State Revolving Fund (CWSRF) program. The PISCES Award is given to one state in each of the ten EPA regions.

The ten state SRF programs were nominated by the regional offices based upon the following criteria:

- Pace level greater than 80%
- Audit with no serious programmatic or financial problems
- Outstanding performance in at least two of the following areas:
  - Better management practices
  - Full-cost pricing
  - Efficient water use
  - Watershed approach
  - Creative use of technologies
  - Leveraging practices
  - Innovative partnerships
  - Innovative lending practices
  - Effective outreach

The winners are excellent examples of performance, integrity, and creativity in the CWSRF program. Winners will be recognized at the national meeting of the Council for Infrastructure Finance Authorities (CIFA) in Denver, CO in November 2007.

I am pleased to share with you the winners of the 2007 PISCES Awards.

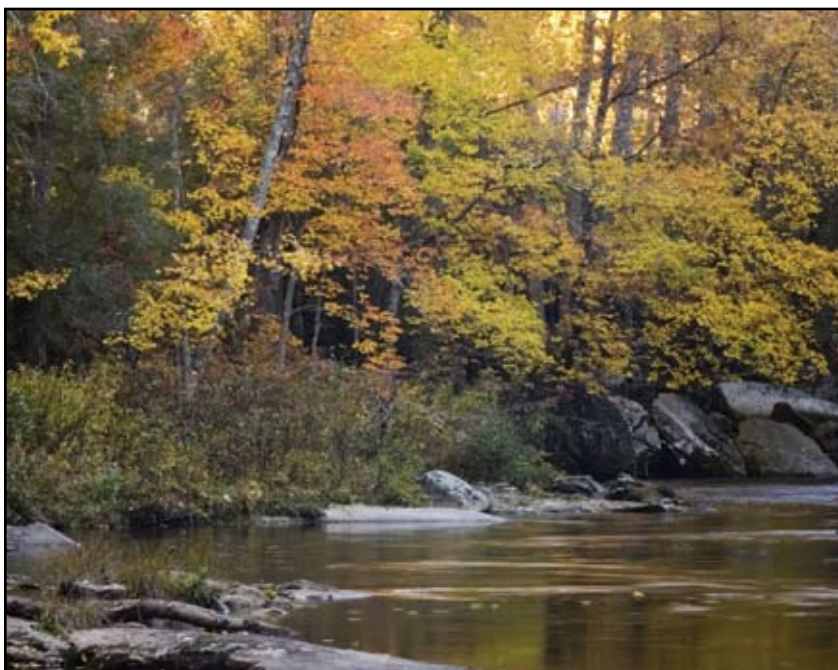
Sincerely,



Benjamin H. Grumbles  
Assistant Administrator for Water







### Region 1: Rhode Island

EPA recognizes the Rhode Island Clean Water Finance Agency (CWFA) for successfully developing innovative partnership programs and lending practices. One such program is the Community Septic System Loan Program (CSSLP). To expand its borrower base, the Rhode Island CWFA crafted CSSLP in cooperation with the Rhode Island Department of Environmental Management and Rhode Island Housing. The CSSLP puts low interest SRF funds within the reach of all communities. The CSSLP allows communities to access SRF funds to repair or replace failed, failing or substandard septic systems. Thus far, the Rhode Island Clean Water Finance Agency has made CSSLP loans totaling \$2.95 million. Approximately 400 septic systems have been repaired or replaced to date, resulting in significantly improved water quality in many of Rhode Island's small communities.

### Region 2: New Jersey

The New Jersey Environmental Infrastructure Financing Program, a partnership between the New Jersey Environmental Infrastructure Trust and the New Jersey Department of Environmental Protection, is the national leader in public-private partnership lending. New Jersey has provided over \$240 million in low interest loans to private entities to remediate and develop more than 800 acres of land that, prior to treatment, had thousands of gallons of leachate seep into sur-

rounding waters daily. New Jersey's assistance has galvanized landfill closures, leachate collection, and conveyance to public sewer systems for subsequent treatment. For some projects the state used conduit financing via an Improvement Authority.

### Region 3: Virginia

The Virginia Department of Environmental Quality, in cooperation with the Virginia Resources Authority, ensures that the CWSRF exhibits excellent financial integrity, will be available in perpetuity and continues to provide the financial assistance needed to meet the state's water quality improvement objectives. Virginia recently conducted a comprehensive evaluation of its CWSRF funding capacity to determine how it could best support the anticipated high near-term loan demand for projects required to meet the restoration goals for the Chesapeake Bay by 2010. Based on the results of this analysis, Virginia intends to aggressively leverage its CWSRF to provide approximately \$250 million annually over the next five years while maintaining a sustainable clean water funding program into the future.

The Virginia DEQ created a new approach to funding non-point source projects by initiating innovative partnerships with the Farm Credit Associations throughout the State. By establishing partnerships with these Associations, the CWSRF program obtained invaluable financial expertise and excellent marketing exposure for its agricultural BMP loan program within the farming community. Through these partnerships, DEQ has provided CWSRF financing for a substantial number of agricultural BMPs, thereby reducing agricultural runoff into Virginia waters and addressing the states' nutrient reduction goals.

### Region 4: Florida

The Florida Department of Environmental Protection is a national leader in water conservation and efficiency. Water conservation and reuse can postpone or eliminate the need for state financial assistance to expand water supplies and is encouraged in all of Florida's projects. Specific examples include the installation of horizontal well technology in Port Orange to withdraw and filter 114 MG of surface and groundwater for reuse. Equally noteworthy among Florida's projects is its assistance for a plasma arc gasifica-

tion system capable of incinerating 1000 tons of trash a day by way of plasma torches burning at around 30,000°F.

Florida actively promotes its SRF program across the state. Each year, Florida DEP hosts an SRF workshop for local government officials and consultants. The 2007 workshop attracted over 250 focusing on the SRF, information on new technologies, and an introduction to asset management.

## Region 5: Minnesota

Since its inception in 1995, Minnesota's Agricultural Best Management Practices Loan Program (AgBMP)—a subsidiary of the State's CWSRF program—has become one of the leading environmental loan programs in the country. Run by the Minnesota Department of Agriculture with appropriations and assistance from the Minnesota Public Finance Authority, the program focuses on cleaning up agricultural sources of non-point source pollution. The AgBMP program has received \$56.2 million in appropriations and completed over 8,000 projects totaling \$107 million. This linked deposit program partners the SRF with local banks and county water boards. A focus on efficiency has led to an average of over two closed loans per day for each of the last five years. Benefits from the program include the efficient management of 10,000,000 tons of manure and 21,000 tons of phosphorus, and 2,100,000 acres farmed using conservation tillage equipment.

## Region 6: Texas

The Texas Water Development Board (TWDB) is remarkable for its support of water efficiency through water reuse and conservation. A \$10.7 million Northwest Water Reuse Initiative consisted of a five-phase project in El Paso County to deliver treated wastewater for reuse to irrigators, industries, and homeowners from El Paso's Northwest Wastewater Treatment Plant. Equally noteworthy was a wastewater reclamation initiative to deliver reclaimed water from the City of Austin's Walnut Creek Wastewater Treatment Plant to two city-owned properties. The project included a treated effluent pumping station, an underground storage tank, and 54,000 feet of transmission main. It was the first step in the city's development of a transmission and distribution system capable of serving large-volume customers with reclaimed water.



## Region 7: Missouri

Missouri's Department of Natural Resources (MDNR) promotes the use of better management practices in its CWSRF program by investing in a comprehensive project tracking system. This computer-based system has improved MDNR's accountability and financial management. Better communication has led to increased understanding and support of the SRF program in Missouri. Tracking system information is also posted on the MDNR web page to give SRF applicants the ability to track their individual projects throughout the SRF process.

To achieve recognition of 'innovative lending practices' the Missouri Agricultural and Small Business Development Authority (MASBDA) borrows CWSRF funds and lends to farmers in order to purchase animal waste collection equipment and to construct animal waste storage and distribution facilities. The animal waste is used to irrigate row crops and pastures. The farmers use the revenue from selling livestock to pay back loans.

## Region 8: Colorado

The Colorado Water Resources and Power Development Authority, the Colorado Department of Public Health and Environment, and Colorado



**Clean Water**  
State Revolving Fund



Department of Local Affairs have demonstrated remarkable creativity in their leveraging and lending practices. The Colorado Water Pollution Control Revolving Fund effectively stretches the program's funds through aggressive leveraging; this has resulted in \$3.29 in projects assisted for every \$1.00 in federal grant dollars. By leveraging its CWSRF funds, Colorado has provided additional financial assistance totaling over \$440 million, directly contributing to hundreds of systems achieving and/or maintaining compliance. It aggressively refinanced over \$196 million in leveraged bonds, and directed the savings back to the borrowers.

The use of program fees has allowed Colorado to develop and provide financial assistance to disadvantaged communities through 0% loans and planning and design grants. Colorado is currently evaluating how to expand its technical and financial assistance program to be able to reach even more disadvantaged communities with populations of less than 10,000.

### Region 9: Nevada

To encourage full cost pricing, the Nevada SRF program reviews Comprehensive Annual Financial Reports (CAFR) of their loan recipients. This procedure quantifies expenses and revenues of SRF funded projects to ensure that the loan recipient is charging and collecting sufficient revenue to pay its debt service and cover its operations, maintenance, and replacement costs.

In order to determine the best use of SRF funds, Nevada joined forces with the Infrastructure of

Nevada Communities (INC), a group of federal funding agencies, state and local regulatory agencies, and private engineering and technical assistance providers with interests or assets in wastewater projects. INC works to guide loan applicants to the most appropriate funding agency, and to streamline the application process. By joining forces with other financing and engineering sources, Nevada has improved the cost effectiveness of its loans while reducing workload expenditures and increasing local participation.

### Region 10: Washington

Washington works with an advisory council whose membership includes representatives of assistance recipients, other infrastructure financiers and interested citizens groups. The Washington Water Quality Financial Assistance Advisory Council meets quarterly and advises the State on its water quality financial assistance policies and practice. For example, it advised the State on its decision to increase interest rates in order to ensure that the CWSRF meets its "perpetuity obligation" under the Clean Water Act. A major benefit of the Advisory Council has been its ability to market the SRF program to potentially interested parties. As a result of the Council's work, Washington's SRF program is well-known, always oversubscribed, and always has applications for public treatment works, non-point source and estuary projects. Washington uses one coordinated solicitation each year for all of its water quality financial assistance programs, considerably reducing the cost of applying for financial assistance for potential borrowers.





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